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UNEMPLOYMENT COMPENSATION PROGRAM

Recent Developments in Connection with the Federal and State Statutes

This article deals with the taxes levied on canners under the STATE-FEDERAL UNEMPLOYMENT COMPENSATION program. In connection with this program Title IX of the Federal Social Security Act levies taxes on employers alone based on *total payroll*. These taxes apply to every canner who employs eight or more persons during twenty weeks of the year. The Federal Government does not pay any unemployment compensation benefits. These are paid under State statutes which levy additional taxes on employers. If a canner pays taxes under a State statute of this character which has been approved by the Social Security Board, he may credit these taxes against the Federal unemployment compensation taxes up to 90 per cent. This phase of the Social Security Program should be sharply distinguished from the FEDERAL OLD-AGE BENEFITS system which has been the subject of recent discussion in the INFORMATION LETTER. This latter program, it will be recalled, levies additional taxes on *both employers and employees*. The Old-Age Benefits Tax is levied not on the total payroll, but only on the first \$3,000 of wages paid to each individual, and the taxes apply to every canner who employs *one or more persons*.

During the past month discussions of Social Security in the INFORMATION LETTER have been concerned primarily with problems arising in connection with the Federal Old-Age Benefits program with its accompanying taxes. At the same time, however, there have been a number of developments in the field of *Unemployment Compensation* which are worthy of mention. The Regulations dealing with the unemployment compensation portions of the Social Security Act were originally discussed at length in a series of articles beginning in the INFORMATION LETTER of March 21, 1936, and various developments have since been noted from time to time.

Federal Taxes

The Federal taxes under Title IX of the Social Security Act with respect to unemployment compensation became effective January 1, 1936, and are payable annually on a calendar year basis. *The taxes for the year 1936 are due on January 31, 1937.* The Bureau of Internal Revenue, which is charged with the collection of these taxes, has recently issued Form 940 to be used in making the returns and paying the taxes required under this Title. This form requires merely summary information as to total wages paid or payable during the calendar year in the United States, Alaska and Hawaii as a whole, and in *each state* in which persons are employed. In addition, the approximate number of employees in each of these states during each calendar quarter must be given. Information with respect to individual employees and their earnings is not required. The tax is 1 per cent of the total taxable wages. Against this the canner may credit any taxes paid under approved State laws, but in

making his return he is not required to furnish any proof of the payment of the State taxes. He merely takes credit for these in computing the Federal taxes which are due. As fully detailed in the INFORMATION LETTER of April 11, 1936, at p. 4907, credit may be taken only for contributions to a State on account of employment covered by the Federal Act. Where State statutes contain broader definitions than the Federal Act, full credit for all State contributions cannot be taken. Proof of such State payments is furnished by the

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1937 A.A.A. CONSERVATION PROGRAM

Similar to Last Year But Includes Plan for Corn Acreage Limitation

Plans for the 1937 agricultural conservation program, announced by the A.A.A. on December 9th, are similar in many respects to the 1936 program. Unlike last year's program, however, the 1937 plans provide for establishment of a limit of corn acreage for those parts of Ohio, Michigan, Indiana, Illinois, Wisconsin, Iowa, Missouri, Nebraska, South Dakota, Minnesota and Kansas where corn is the major crop. This limit, it is stated, will conform to good conservation practices, and the aggregate of the limits will be slightly smaller than the total acreage planted to corn last year. If the corn acreage limit is exceeded, a deduction will be made for each acre over the limit at the rate paid for diversion from the general soil-depleting base.

The 1937 program offers payment to farmers who meet specified conditions for shifting land from soil-depleting crops to soil-conserving crops and for carrying out approved soil-building practices.

The A.A.A. announcement summarizes the salient points of the plan as follows:

Summary of Program

1. The program provides for expenditures not to exceed the \$500,000,000 authorized to carry out the Soil Conservation and Domestic Allotment Act.
2. The plan of establishing soil depleting bases for farms has been continued. These bases will be used as a yardstick to measure diversion from soil-depleting to soil-conserving crops.
3. Payment for shifts from general depleting crops and cotton, tobacco, and peanuts will be continued in 1937, together with payments to sugar and rice producers who participate in the program.
4. Crops will be classified as soil conserving and soil depleting. These classifications follow those established in 1936, but some changes have been made in the light of experience gained in the actual operation of the program and conditions brought about by the 1936 drought.

5. The regional set-up for the administration of the program will be virtually the same as for 1936.

6. The administrative expenses of all County Agricultural Conservation Associations will be deducted from the payments to farmers in their respective counties. This was true of the North Central, East Central and Western Regions in 1936, but county administrative expenses in the Southern and Northeast Regions were paid out of the general administrative funds in 1936.

7. The range program, which applied only to Western Region states in 1936, will be extended to include range lands in western parts of the Southern and North Central Region regions.

8. The allowance which growers of vegetables and fruits can earn through soil building practices will be increased for the 1937 program.

9. Any producer, no matter how small his farm, will have an opportunity to earn at least \$20. The minimum allowance in the 1936 program was \$10.

10. Producers with sizeable acreages in permanent pasture will be given an opportunity for additional participation in the program.

Bases Established

The soil-depleting bases, including the general base, and the cotton, tobacco, peanut, sugar cane, sugar beet and rice bases, will conform to the 1936 bases, subject to adjustments to correct inequities. Flax will be included in the general soil depleting base.

The soil-depleting bases for individual farms will be determined by the county committees, who will take into consideration variation among farms in size, number of crop acres, type and productivity of soil, topography, farming practices, and acreages of the particular crops normally grown. Bases for farms which are similar in these respects will be kept in line, and the total bases for all farms in the county will conform to standards established by the Agricultural Adjustment Administration.

Normal acreages of soil-conserving crops also will be established for farms participating in the program. The soil-conserving bases for all farms in the North Central and Western Regions will be the total acreage of crop land, minus the total acreage in all soil-depleting bases. The soil-conserving bases for other regions is the average acreage of soil-conserving crops over a representative period.

Payments

As in 1936, payments will be divided into two classes: Class 1 payments or diversion payments, and Class 2 payments or soil-building payments.

The rate paid for diversion from the general soil-depleting base will average slightly less than the \$10 average of 1936. The maximum acreage for which payment will be made for diversion from the general soil-depleting base will remain unchanged. As in 1936, the rate will vary from farm to farm as the productivity of land varies. Two-thirds of this payment will be made for shifts from soil-depleting crops and one-third will be made for corresponding increases in the acreage of soil-conserving crops, or will be added to the soil-building allowance.

The rates of payment for diversion for the special base crops is the same as in 1936, but the maximum amount of

diversion for which payment will be made has been reduced in the case of several types of tobacco and for peanuts.

The rate for diversion from the general soil-depleting base and the maximum diversion for which payment will be made is:

(a) An average of \$6.00 per acre for each acre diverted from the general soil-depleting base. The limit on this payment is 15 per cent of the general soil-depleting base. On farms for which a corn acreage limit is established this rate will be increased 5 per cent.

(b) An average of \$3.00 per acre for increases above the soil-conserving base. The limit on this payment is the acreage diverted for payment from the general soil-depleting base. On farms for which a corn acreage limit is established this rate will be increased 5 per cent.

In the Northeast, East Central, and most of the Southern Regions these two payments are combined into one payment of \$9.00 per acre, with a deduction of \$3.00 per acre for failure to match the diversion with an increased acreage of soil-conserving crops. In lieu of the \$3.00 per acre payment, for farms in the Great Plains Region and in the Mountain and Pacific States, \$3.00 will be added to the practice allowance for each acre diverted from the general base.

Definite rates with maximum limits of diversion are set for diversion from the cotton, tobacco, and peanut soil-depleting bases.

The per acre rate for the special crops is also calculated on the productivity of the soil. The rate is arrived at by multiplying the rate per pound by the average yield for the farm. For example, the payment per acre for cotton land averaging 170 pounds of lint would be 170×5 cents, or \$8.50.

Deductions will be made if the 1937 acreage of cotton, tobacco, peanuts or general crops exceeds the base established for these crops on any farm. The deduction for the excess acreage will be made at the rate for diversion.

The rates for payments and allowances are based on an estimate of 85 per cent participation. If participation for any region is greater than this estimate, the rates for payments and allowances may be decreased by not more than 10 per cent. Correspondingly, if participation is less than estimated, rates may be increased 10 per cent. A similar provision was included in the 1936 program.

The rates for approved soil-building practices such as liming, terracing, reforestation and seeding some soil-building crops will be established for states and regions and will be in line with those of 1936. As in the 1936 program, the limit for payment for soil-building practices will be the soil-building allowance. The allowance, generally speaking, has been increased over the allowance for 1936 to give greater emphasis to soil-building practices.

The soil-building allowance for each farm will be determined by adding together several items. For farms not eligible for diversion payments the major item will be 80 cents per crop acre varied by productivity, while for diversion farms it will be \$1.00 for each acre for the normal or base acreage of the soil conserving crops plus the acres added by diversion. The other items which will be added for farms where they apply are: \$1.00 per acre for vegetable crops, single cropped; \$2.00 if double cropped; and 30 cents for each acre of non-crop pasture land which meets certain specifications, or an equivalent measured by grazing capacity. Also, for range practices there will be an allowance of \$1.50 per animal unit of the carrying capacity of the ranch.

EXPORTS AND IMPORTS OF CANNED FOODS

Exports of canned foods in October showed increases in all the canned meat items, and in asparagus, soups, tomatoes, cherries, pineapple, salmon, sardines, and shrimp, when compared with October last year. Decreases occurred in corn, peas, grapefruit, peaches, and pears.

October imports of canned meats, sardines, anchovies, peas, and pineapple registered increases over October, 1935, while decreases occurred in tuna, the shellfish items, other canned fish, and tomatoes and tomato paste.

Imports of condensed and evaporated milk for October and for the ten month period show an increase of about 300 per cent when compared with the corresponding figures for last year. The exports of these products have declined.

EXPORTS	October, 1935		October, 1936		Jan.-Oct., 1935		Jan.-Oct., 1936	
	Pounds	Value	Pounds	Value	Pounds	Value	Pounds	Value
Canned meats, total...	843,510	\$299,406	1,014,423	\$337,379	10,787,042	\$3,696,283	10,130,505	\$3,095,931
Beef.....	115,241	39,598	161,123	52,052	1,824,056	616,796	1,572,219	472,230
Pork.....	615,884	231,473	653,693	230,346	7,377,196	2,697,855	6,132,822	2,073,346
Sausage.....	58,229	16,413	88,264	24,494	826,668	213,956	934,330	254,505
Other.....	54,156	11,922	111,343	30,487	759,122	167,676	1,491,134	295,850
Canned vegetables, total	3,629,593	327,374	3,368,047	337,973	29,978,119	3,011,634	32,715,818	3,373,734
Asparagus.....	982,960	125,990	1,176,373	179,926	15,338,163	1,906,810	15,702,753	2,122,208
Baked beans and pork and beans...	560,453	33,246	502,768	26,481	4,127,587	233,151	4,438,943	236,237
Corn.....	462,581	36,441	309,008	26,253	1,717,048	135,510	1,755,978	134,000
Peas.....	885,618	67,751	349,311	26,899	2,843,094	228,575	2,625,536	205,750
Soups.....	264,998	24,579	297,975	27,825	1,796,330	189,548	2,300,481	232,019
Tomatoes.....	202,896	16,834	260,846	18,027	1,469,584	102,486	1,948,531	141,884
Other.....	270,087	22,533	471,766	36,562	2,686,313	215,554	3,943,596	301,636
Condensed milk.....	275,001	30,355	93,165	12,433	4,083,447	501,794	2,053,036	239,249
Evaporated milk.....	2,107,674	132,217	1,632,958	123,791	26,996,629	1,796,184	21,073,012	1,551,298
Canned fruits, total...	48,778,138	3,503,816	29,158,271	2,247,807	245,475,070	18,094,546	249,143,223	18,345,884
Apples and apple- sauce.....	3,811,215	164,308	3,523,634	205,019	15,213,594	652,320	13,521,428	628,915
Apricots.....	2,938,169	219,790	1,722,378	129,048	17,660,621	1,356,580	23,376,101	1,703,389
Berries, other.....	94,208	11,437	182,712	21,820	647,713	76,564	1,070,590	123,008
Cherries.....	115,815	14,145	217,299	24,480	1,154,635	122,324	1,776,680	184,304
Fruits for salad.....	5,504,525	586,521	4,082,341	433,425	31,320,394	3,349,960	29,954,404	3,155,196
Grapefruit.....	915,852	52,287	219,272	13,918	29,385,610	1,699,304	23,771,368	1,468,863
Loganberries.....	261,945	19,055	217,175	17,127	4,241,178	295,340	3,813,558	281,954
Peaches.....	13,828,273	947,727	6,361,192	459,868	61,614,909	4,295,255	67,744,001	4,561,844
Pears.....	18,823,088	1,281,634	8,120,804	589,916	63,172,257	4,548,310	56,373,996	4,006,253
Pineapple.....	1,703,075	147,283	3,839,868	295,868	17,736,891	1,405,928	23,537,794	1,875,491
Prunes.....	323,027	21,223			815,731	61,486		356,667
Other.....	458,946	38,406	671,596	57,318	2,511,537	231,175	4,203,303	
Canned fish, total.....	10,115,019	1,035,486	15,691,606	1,893,205	76,602,001	8,463,830	85,130,418	9,527,418
Mackerel.....	286,110	14,853	169,720	9,587	1,812,336	89,961	781,440	44,053
Salmon.....	3,070,826	534,155	8,027,512	1,317,891	38,093,296	5,706,419	38,365,202	6,322,867
Sardines.....	5,964,862	350,428	6,553,725	404,872	32,474,981	2,023,133	41,082,331	2,383,378
Shrimp.....	776,617	122,748	845,051	145,850		522,956	3,513,722	559,627
Shellfish, other.....		69,001	69,001	10,248	3,377,784		1,042,828	164,600
Other.....	16,604	3,298	26,597	4,757	843,604	121,361	344,895	52,893
IMPORTS								
Canned meats.....	5,399,609	382,526	9,001,909	825,949	62,933,478	4,440,684	82,427,156	7,927,238
Condensed and evap- orated milk.....	82,979	2,453	297,298	13,448	560,102	36,806	1,825,289	78,749
Canned fish in oil:								
Sardines.....	2,486,103	319,938	3,706,817	477,973	22,926,215	2,768,412	30,522,654	3,915,192
Anchovies.....	287,692	95,601	348,891	107,735	1,840,858	617,800	2,042,911	702,030
Tuna.....	653,049	102,790	161,137	26,595	7,467,973	1,154,289	6,667,602	1,067,662
Other.....	84,922	22,672	75,290	18,812	489,277	135,419	616,976	168,260
Canned shellfish:								
Crab meat.....	706,576	229,581	584,737	197,930	8,962,525	2,884,738	8,405,325	2,706,261
Clams and oysters...	176,555	34,239	143,177	14,565	1,070,003	238,115	1,182,376	240,453
Lobsters.....	75,332	45,080	72,515	51,997	695,549	326,079	648,092	362,064
Other canned fish.....	2,975,033	219,013	2,013,879	167,278	15,289,409	1,134,949	16,829,053	1,282,288
Canned vegetables:								
Peas.....	33,458	3,002	105,120	15,976	760,637	60,416	379,393	44,946
Mushrooms.....	54,508	17,285	33,898	10,892	447,976	143,712	362,035	116,119
Tomatoes.....	11,761,845	467,826	8,293,727	318,449	56,345,919	2,226,866	46,907,653	1,818,294
Tomato paste and sauce.....	1,620,641	170,540	1,235,963	94,952	8,572,574	759,059	7,390,915	656,735
Other.....	17,982	1,018	34,063	2,253	164,876	9,178	241,178	14,084
Canned pineapple, duti- able.....	348,424	14,465	2,383,869	119,855	5,298,545	255,857	9,562,977	480,743
Philippine Islands, free.....	780,437	35,822	1,263,000	62,310	5,448,048	273,016	8,156,240	340,950

RESALE PRICE LAWS SUSTAINED

Supreme Court Upholds Constitutionality of Illinois and California Statutes

The recent agitation among certain trade associations in the food and grocery field for uniform state fair trade acts received added impetus on December 7 when the Supreme Court in two unanimous decisions sustained the constitutionality of the resale price maintenance laws of California and Illinois. These two statutes, which are substantially identical in terms, legalize contracts requiring the purchaser of articles sold under the trademark, brand or name of the producer to resell them at the price stipulated by the manufacturer. In addition, the statutes go further and make it unlawful for any person knowingly to sell below the price stipulated in such a contract even though he is not a party to it.

It will be recalled that the Supreme Court has previously held that any attempts to control the resale price of a commodity sold in interstate commerce, even though sold under a patent or trademark, violated the Federal anti-trust acts, and the Federal Trade Commission in enforcing these laws has followed this rule. The California and Illinois statutes do not purport to change this Federal rule applicable to interstate commerce, but on the contrary *apply only to local and intrastate transactions* which are not subject to Federal control. As Mr. Justice Sutherland pointed out in the opinion of the Court, these new state statutes merely remove the common law prohibition of these local contracts as being in restraint of trade.

The retailers attacking the laws contended, however, that in so far as they applied to persons who were not parties to such contracts, the statutes deprived the owner of property of his valuable right to fix the price at which he will sell it, and thus caused an unconstitutional deprivation of property. Mr. Justice Sutherland refuted this contention by pointing out that the restriction on the resale price did not relate to the mere commodity alone, but to the commodity bearing the trademark or brand of the producer. This trademark is a symbol of the good will and is a valuable property right of the producer. When the producer sells the commodity he does not sell the mark which accompanies it or the good will which it symbolizes, and so long as the commodity continues to bear this mark the producer has an interest in the price at which it is sold. The dealer who purchases branded articles does so voluntarily with knowledge of the restriction and the price at which he must resell, and hence cannot be prejudiced.

The Court also overruled contentions that the law was arbitrary, fatally vague and indefinite, and discriminatory in that it applied only to branded commodities.

The importance of these decisions is emphasized by the fact that there are twelve other states which have laws substantially identical with the two under consideration. These states are: Iowa, Louisiana, Maryland, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Virginia, Washington, and Wisconsin. Now that the validity of these laws has been established other states may be expected to enact similar legislation.

Department Store Sales in November

Department store sales increased from October to November, on a daily average basis, and the Board's seasonally adjusted index advanced to 93 per cent, the highest level since the middle of 1931. Total sales for November were 8 per cent larger and for the first eleven months of the year 11 per cent larger than in the corresponding periods of 1935.

Belgium Permits Free Entry of Grapefruit

A decree effective October 28th provides for the importation of grapefruit into Belgium free of the regular duty of 20 francs per 100 kilos for the period from October 15th to April 15th, 1937, according to a report from the American commercial attache at Brussels.

CANADIAN PACK STATISTICS

Preliminary Figures Are Issued by the Dominion Bureau of Statistics

In order to make statistics on canned fruits and vegetables available immediately after the completion of each pack, the Dominion Bureau of Statistics makes a separate report for each product or group of products canned in Canada. This information is compiled in cooperation with the Dominion Department of Agriculture, which at the completion of each week furnishes the Dominion Bureau of Statistics with the list of canners of each product. The preliminary figures for the 1936 season follow:

Fruits:	1936		1935	
	Cases	Pounds	Cases	Pounds
Apricots....	57,303	1,720,699	34,236	1,061,913
Cherries....	125,817	4,163,575	199,994	6,320,832
Gooseberries	1,512	50,351	1,671	64,799
Loganberries	44,246	1,381,859	36,561	1,188,602
Raspberries.	41,086	1,181,742	76,990	2,259,919
Rhubarb....	10,479	388,524	15,396	599,538
Strawberries.	29,847	860,878	47,851	1,383,169
Vegetables:				
Asparagus...	124,321	2,713,317	86,792	2,068,082
Peas.....	1,471,716	44,314,366	1,988,383	60,772,794
Spinach.....	37,541	1,111,967	43,386	1,330,677

The figures for spinach are subject to an upward revision as some spinach is also canned in the fall.

Cucumber Production and Pickle Stocks

Production of cucumbers for pickles in 1936 is estimated by the Bureau of Agricultural Economics at 6,152,000 bushels, compared with 5,049,000 bushels in 1935 and an annual average of 4,972,000 bushels for 1928-1932.

Total stocks of salt and dill pickles in tanks and barrels on October 1st are estimated at 6,400,000 bushels, compared with 6,094,000 in 1935. Of the 6,400,000 bushels in stock on October 1st, 5,439,000 were from the current crop and 961,000 were carryover.

The disappearance of salt and dill stocks from tanks and barrels (October 1st total stocks less carryover on the following September 30th) has been as follows for recent seasons: 1935-36, 5,133,000 bushels; 1934-35, 4,036,000 bushels; and 1933-34, 4,106,000.

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proper administrative officials of each State in which payments were made, in the form of a certificate of credit (Form 940-A) which is forwarded directly to the Commissioner of Internal Revenue. These certificates will be checked against the individual employer's return as and when it is audited. The Commissioner, however, is vested with authority to require additional proof when he deems it necessary.

Every canner is required to file a return on Form 940 unless he can, on the basis of actual records, demonstrate that he has not during the calendar year 1936 employed eight or more persons on each of at least 20 days, each day being in a different calendar week.

Copies of Form 940 can be procured from the various Collectors of Internal Revenue. The executed return must be filed with the Collector for the district in which the canner has his principal place of business (i.e., the same office with which income tax returns are filed) on or before January 31, 1937. The tax is due and payable at the same time.

State Unemployment Compensation Statutes

New Legislation: In order for an employer to credit contributions under an approved State law against his Federal taxes for the year 1936 the State contributions covering the same year must have been actually paid prior to January 31, 1937. This requirement has exerted considerable pressure upon States without any laws to enact such legislation before the end of the year so that employers in those States may get credit against the Federal taxes for the year 1936. Consequently, there has been marked activity in the field of State legislation and four States, Colorado, Connecticut, Arizona and Pennsylvania, have in the past few weeks adopted unemployment compensation statutes. In addition the legislatures of several States are now in special session considering such legislation.

Colorado: On November 20, 1936, the Governor of Colorado approved a statute establishing an unemployment compensation system for that State. The law became effective immediately and applies to all employers of eight or more persons. It sets up a pooled fund with provisions for merit rating after 1941. Under this statute employers are required to contribute at the rate of 10.8 per cent of their total payroll for the month of December, 1936, with a provision, however, that the total tax payable shall not be greater nor less than 0.9 per cent of the entire payroll for 1936. This in effect makes the law retroactive to January 1, 1936, with a rate of 0.9 per cent. The rate for 1937 is 1.8 per cent and 2.7 per cent in 1938 and thereafter. No employee contributions are required.

Connecticut: The Connecticut statute was approved by the Governor on November 30, 1936, and became effective immediately. The tax is applicable to all wages paid during 1936. The Act applies to all employers of five or more persons and establishes a pooled fund with provisions for merit rating. The rates of contribution for employers are 0.9 per cent of wages for 1936, 1.8 per cent in 1937, and 2.7 per cent thereafter. No employee contributions are required.

Arizona: The Arizona law was approved December 2, 1936, but, since it did not receive a sufficient majority in the Senate to be classed as an emergency measure, it does not become effective until February 23, 1937. Accordingly, employers

in that State will receive no credit against their Federal taxes for the year 1936. The Act applies to all employers of three or more persons and establishes a pooled fund with provisions for merit rating. The employer rates of contribution are the same as those in the Colorado and Connecticut statutes discussed above, and no employee contributions are required.

Although the Act by its terms requires contributions for 1936 these possibly may not be collected in view of the fact that it does not become effective until next February.

Pennsylvania: The Pennsylvania statute was passed by both houses of the State legislature sitting in special session on December 4, 1936, and was approved by the Governor on December 5, 1936. This Act, which became effective immediately, applies to all employers of one or more persons, imposes a tax on total wages paid during 1936, and establishes a pooled fund with no provisions for merit rating. As in the case of the other statutes the rates for employer contributions are 0.9 per cent in 1936, 1.8 per cent in 1937, and 2.7 per cent thereafter, and here also no employee contributions are required.

In addition, the legislatures of Ohio, Oklahoma, and Maryland are now in special session for the purpose of considering unemployment compensation legislation, and special sessions for this purpose have also been called in New Jersey, Virginia and West Virginia.

At the recent election held on November 3, 1936, the voters in Louisiana and Kansas ratified amendments to the constitutions of these two States authorizing the adoption of unemployment compensation legislation. The Louisiana legislature had previously enacted such a statute to become effective only when the constitutional amendment was passed. (See INFORMATION LETTER of July 11, 1936, p. 5001.) This statute is now in full force and official regulations governing its application have recently been issued. The legislature of Kansas has not as yet adopted a statute.

On November 5, 1936, the Social Security Board approved the Texas law which was passed October 27, 1936. (See INFORMATION LETTER of October 31, 1936, p. 5086.) The Louisiana law was approved on November 10, the Colorado law on November 28, and the Connecticut and Pennsylvania laws on December 8. This approval is necessary before the taxes paid under the State law may be credited against the Federal taxes.

This brings to a total of nineteen the number of jurisdictions having laws approved by the Board. These are: Alabama, California, Colorado, Connecticut, Idaho, Indiana, Louisiana, Massachusetts, Mississippi, New Hampshire, New York, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Wisconsin, and the District of Columbia. In addition, as noted above, Arizona has enacted a statute which has not as yet been submitted for approval.

Contribution Dates and Reports

The South Carolina Unemployment Compensation Commission has announced that the first contribution under the South Carolina Act covering all of 1936 will be due on or before January 15, 1937. The Mississippi Commission has also released forms upon which each employer is required to make a final report for the year 1936. These forms must be executed and filed on or before January 15, 1937. On December 1, 1936, the New York Unemployment Insurance Administrator released official Instructions Nos. 6 and 7 setting out the alternative procedures and forms to be used

in reporting detailed information on individual employers during 1937.

Constitutionality

Federal Act: In an opinion rendered December 7, 1936, Federal District Judge George C. Sweeney in Boston upheld the constitutionality of the unemployment compensation taxes levied under Title IX of the Federal Act. Judge Sweeney found that the excise taxes were a valid exercise of the taxing power of Congress. This decision, which was rendered in a suit brought by a stockholder of the Boston Maine Railroad to restrain the company from paying the taxes, is the first to pass on the validity of any portion of the Federal Act. An immediate appeal to the Circuit Court of Appeals and ultimately to the Supreme Court is expected.

State Acts: On November 25, 1936, the Supreme Court of California held that the unemployment compensation statute of that State did not, as had been alleged, infringe the provisions of the California constitution, and that the taxes were a valid exercise of the State's taxing powers. The Court did not consider whether the pooled fund features of the Act violated the due process clause as this point was not involved in the proceeding. (The pooled fund provisions of the New York law were sustained by the New York Court of Appeals and this decision was affirmed by the United States Supreme Court by a vote of four to four. See INFORMATION LETTER of November 28, 1936, at p. 5109.) The California Act was also attacked on the ground that, by its terms, its effectiveness is dependent upon the effectiveness of the Federal Act, and that the latter is unconstitutional. The Court found, for the purposes of its decision, that the Federal Act is a valid exercise of the Federal taxing power.

On November 9, 1936, the Circuit Court of Jackson County, Oregon, refused to issue a temporary restraining order in a suit attacking the validity of the Oregon statute. The refusal was predicated simply upon the failure of the petitioner to show that he was threatened with any damage, and the question of constitutionality was not decided, but was reserved for a future hearing on the merits.

Cold Storage Holdings of Fishery Products

Cold storage holdings of fishery products in the United States on November 15 were 21 per cent greater than a year ago, and 33 per cent greater than the five-year average, according to the United States Bureau of Fisheries. Holdings on November 15 were 92,590,000 pounds, compared with 76,503,000 pounds on November 15, 1935, and the five-year average of 69,758,000 pounds.

Portuguese Sardine Pack Falls Off

Earlier reports of the shortage of the Portuguese sardine pack have been confirmed, according to the American consul general at Lisbon. The National Institute of Statistics reports the catch for the first six months of the year as 23,945,690 kilos, compared with 48,814,526 kilos for the corresponding period of 1935.

While the catch in general has not been up to normal, it is understood that, in anticipation of the general shortage of sardines, sardine packers have made an especial effort to

increase the pack. Consequently a somewhat larger percentage of the catch has been packed during the current season than in former years. There is no indication of shortage of tinned sardines in the market, or for foreign shipment.

PEA AND CORN PACK STUDIES

Labeling Committees Meet in Washington to Review Laboratory's Work

On Friday, December 4th, the Pea Labeling Committee met in Washington to review the work done by the Research Laboratory during the past canning season. The experimental packs of peas that had been prepared in the different districts were examined and classified by the members of the Committee. The findings of the Committee will be studied in connection with the analytical data obtained on these samples and a report prepared for the Annual Convention.

On December 5th, the Corn Labeling Committee also met to review the work of the past season. The members of the Committee examined all of the samples that had been prepared in the different canning districts and classified these samples for the information of the Laboratory. The analytical data obtained by the Laboratory will be considered in connection with these classifications and a report prepared for submission to the Annual Convention.

Quality Tests on Canned Snap Beans

In the November, 1936, issue of the *Journal of the Official Agricultural Chemists*, Vol. 19, No. 4, pp. 620-628, there appears an article by Messrs. F. C. Rowe and V. C. Bonney, of the Food Division of the U. S. Food and Drug Administration, Washington, D. C., on "A Study of Chemical and Physical Methods for Determining the Maturity of Canned Snap (Stringless) Beans." This article gives the results of the examination of 104 samples representing 7 different varieties from 7 different states throughout the country during the 1935 canning season. The tables given show the canning procedure; the per cent of fibrous material in the pods; the per cent of seeds and of alcohol insoluble solids in the beans and pods, and the average grade obtained by six expert food graders. The summary of this article is as follows:

"Methods have been developed to determine the maturity of canned snap (stringless) beans. Results obtained from 104 samples representing 7 different varieties from as many different states indicate that standard beans should contain not more than 0.08% fibrous material in the pod, 6% seeds, and 7% alcohol insoluble solids; also that there should not be more than one tough string for each 2 ozs. of drained beans."

A new method has been devised for the determination of the "fibrous material" in the pods of the beans. The Washington Laboratory has prepared and examined a number of samples of string beans during the 1936 season and these results will be reported to the convention.

Tri-State Packers Officers for 1937

The Tri-State Packers Association at its annual meeting elected the following officers for 1937: President, L. L. Maloney, Townsend, Del.; First Vice-President, Herman N. Lutz, Williamstown, N. J.; Second Vice-President, Harry H. Nuttle, Denton, Md. Frank M. Shook, Easton, Md., was reelected Secretary-Treasurer.

CZECHOSLOVAK FRUIT TRADE

High Import Duties Hamper Purchases from the United States

Preliminary official statistics published by the Czechoslovak State Statistical Office show that imports of canned fruit into that country in the first three quarters of 1936 increased to 290 metric tons valued at 1,316,000 crowns, as against 195 metric tons valued at 887,000 crowns in the corresponding period of 1935, according to the American commercial attache at Prague. These preliminary statistics for 1936 do not show the source of the imports, but in 1935 the United States furnished 81 per cent of the total.

The import duty on canned fruits is well over 100 per cent of the value, and a substantial reduction in the duty would increase the demand enormously. Retail prices are necessarily high; for example, a 2½ pound can of apricots is priced at 56 cents; peaches, 53 cents; pears, 60 cents; cherries, 70 cents; sliced pineapple, 56 cents.

American canned fruits are well advertised in practically every first class grocery store in Prague. In fact, it appears that because of the brightly colored labels of American canned goods many grocery stores use them to make attractive window displays.

Czechoslovakia is a good market for American canned pineapple and a steady flow of this product has been maintained for some years. Neither the import statistics of Czechoslovakia nor the export statistics of the United States give a good picture of this trade as the former include pineapples in the classification of "canned fruits," while the latter show direct shipments only. It is known that a considerable quantity of American canned pineapple is imported indirectly into Czechoslovakia through various European free ports, principally Hamburg.

Imports of canned fruit juices into Czechoslovakia during the first nine months of 1936 amounted to 6 metric tons, valued at 206,000 crowns, compared with 8 metric tons valued at 246,000 crowns for the first nine months of 1935. These juices are mostly concentrated juice from Germany, containing only a small percentage of American canned fruit juices. This is due to the fact that American canned fruit juices are forced to pay a duty about 250 per cent of the c.i.f. value, which makes their importation impossible.

UNSOLD CANNED SALMON STOCKS

The figures for October 31 and November 30, 1936 in the following statement of unsold stocks of canned salmon are based on reports from 77 companies producing probably 94 per cent of the 1936 pack. The figures for November 30, 1935, are based on reports from 72 companies producing approximately 98 per cent of the 1935 pack. Attention is called to the fact that packing operations were continuing during the period October 31 to November 30, 1936.

Grades or varieties	Total			Total		
	Tails (1 pound) Cases	Flats (1 pound) Cases	Halves (8 doz.) Cases	Nov. 30, 1936 Cases	Oct. 31, 1936 Cases	Nov. 30, 1935 Cases
Chinooks or Kings:						
Fancy Red.....	4,222	12,825	46,535	63,582	65,726	66,960
Standard.....	6,304	9,765	18,739	34,808	37,391	23,866
Pale.....	3,267	105	3,832	7,204	11,651	6,109
White.....	867	169	773	1,809	1,611	8,327
Puget Sound Sockeyes.....	4,297	3,590	22,706	30,593	30,834	105,119
Alaska Reds.....	270,124	14,238	33,849	318,211	331,322	420,120
Cohoos, Silvers, Medium Reds.....	48,758	8,178	6,613	63,549	69,130	117,337
Pinks.....	1,640,747	900	20,722	1,662,369	1,698,608	2,178,191
Chums.....	250,765		1,816	252,581	208,561	422,327
Bluebacks.....			895	895	895	2,151
Steelheads.....	36	45	2,179	2,260	7,433	10,346
Totals.....	2,229,387	49,815	158,659	2,437,861	2,463,162	3,360,853

Fruit and Vegetable Market Competition

Carlot Shipments as Reported by the Bureau of Agricultural Economics, Department of Agriculture

VEGETABLES	Week ending—			Season total to—	
	Dec. 5 1935	Dec. 5 1936	Nov. 28 1936	Dec. 5 1935	Dec. 5 1936
Beans, snap and lima	100	322	302	1,310	1,705
Tomatoes.....	116	151	110	216	404
Green peas.....	4	1	3	10	9
Spinach.....	199	340	206	690	981
Others:					
Domestic, compet-					
ing directly.....	2,923	3,435	3,079	58,221	68,800
Imports competing—					
Directly.....	1	6	1	1	7
Indirectly.....	55	46	50	741	693
FRUITS					
Citrus, domestic....	3,964	4,883	3,597	31,617	42,059
Imports.....	12	3	0	348	97
Others, domestic....	140	158	320	36,035	35,542

Notes from Government Crop Reports

Acreage planted to beets in Texas this season is estimated at 5,600, compared with 7,400 acres last season.

Acreage planted and intended to be planted for the 1937 season, in the fall, early and second early states, shows an indicated increase of 10 per cent over 1936 and 95 per cent over 1935.

Carrot acreage, planted and intended to be planted, in Arizona and Texas for the 1937 season is 8,800, compared with 11,000 in 1936.

Spinach acreage in California, Louisiana, South Carolina and Texas is 62,100, compared with 57,850 acres last year, when the production from 6,400 acres in Texas was taken by canners. The acreage estimated for 1937 is the highest on record in these states.

Freezing temperatures (27 degrees) on December 1st and frost on December 2nd caused about 75 per cent damage to the Imperial Valley green pea crop.

Growing conditions for Cuban tomatoes were unsatisfactory during the first week of December, and as a result of high temperatures export movement of tomatoes will be below expectations for the first half of December.

TIN CAN AND TINWARE OUTPUT

Census Bureau Issues Preliminary Figures on Production in 1935

Both production and employment in the manufacture of tin cans and other tinware showed substantial increases in 1935 as compared with 1933, according to preliminary figures issued by the Census Bureau.

The total number of wage earners employed in 1935 was 27,484, an increase of 17.7 per cent over the 23,343 reported for 1933 (the last preceding Census year). Wage payments last year amounted to \$27,825,974, which exceeded the 1933 figure by 22.6 per cent. The total value (f. o. b. factory) of tin cans and other tinware made in the industry last year was \$292,388,012, which was 40.6 per cent above the total for 1933.

This industry, as defined for Census purposes, embraces establishments engaged primarily in the manufacture of tin cans and other tinware, except stamped ware other than cans. Tin-can departments operated by establishments which manufacture cans for use as containers for their own products are also classified in this industry.

The value of tin cans, utensils, etc., made in the industry in 1935, exclusive of the value of unclassified products and receipts for contract work, was \$288,014,608, as compared with \$205,391,538 in 1933, and \$279,962,658 in 1929. The following table gives available details on the output for the last two Census years.

PRODUCT	1933	1935
Venthole-top cans (chiefly for evaporated milk):		
Number.....	1,736,937,202	1,774,961,311
Value.....	\$14,721,113	\$17,200,813
Sanitary cans, including sweetened-condensed-milk cans:		
Number.....	5,436,278,955	7,590,318,855
Value.....	\$94,842,452	\$151,195,053
Ice-cream cans:		
Number.....	540,481	759,838
Value.....	\$399,403	\$411,649
Dairy milk cans, total value...	\$2,558,002	\$3,101,924
Number and value reported:		
Number.....	866,233	1,000,142
Value.....	\$2,277,601	\$3,101,924
Number not reported, value.....	\$280,401
Other miscellaneous cans and packages, total value....	\$89,272,931	\$109,208,927
Number and value reported:		
Number.....	2,846,121,935	3,188,977,991
Value.....	\$82,495,640	\$99,646,154
Number not reported, value.....	\$6,777,291	\$9,562,773
Other tinware, except stamped, value.....	\$5,685,022	\$6,896,242

Because of a change in classification (the transfer of establishments engaged in stamping tinware from the Tin Cans and Other Tinware Industry to the Stamped and Pressed Metal Products Industry), most of the figures for 1929 are not strictly comparable with those for 1933 and 1935.

Japanese Sardine Sales Centralized

The Japan Tinned Sardine Sales Company, Limited, the organization of which was noted in the INFORMATION LETTER for September 19th, commenced to operate its sale business from the firm's office in Tokyo on November 7th. Fixed prices, f. o. b. shipping point, were announced on that date as follows: 6.30 yen per case of 48 No. 1-pound tins of choice large, choice medium and choice small sardines; standard quality in the same packing is quoted at 6.20 yen per case. For a case of eight dozen half-pound tins, the fixed price is 8.40 yen per case, choice qualities; for standard quality in this packing, the price is 8.20 yen per case. (The yen was quoted on November 7th at 28.49 cents U. S. currency.)

The foregoing prices are those in force both for the domestic market and for export. They are applicable to orders of 2,000 cases and over while prices on lots of less than 2,000 cases will be "negotiated upon application." Special labels may be affixed to the tins, but orders must equal or exceed 50,000 cases and must be taken up within a period of six months.

Maine State Labels to Appear on Products

Marketing of Maine products bearing state of Maine labels, the products to include potatoes, lobsters, sardines, blueberries, eggs, apples, corn and other canned foods has been announced this week. The work is supported by state and private agencies which plan an advertising campaign in eastern cities.

Iowa-Nebraska Association Officers

At the annual meeting of the Iowa-Nebraska Cannery Association the following officers were elected: President, Loyal Shannon, Oteo Food Products Company, Nebraska City, Nebraska; Vice-President, Albert Schori, Elgin Canning Company, Elgin, Iowa; Secretary and Treasurer, Hoyt Ellis, Iowa Canning Company, Vinton, Iowa.

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